



Office of Rental Assistance and Homeless Solutions

ESG-CV Notice of Funding Availability (NOFA)

Round One: March 1, 2020 to September 30, 2022

Emergency Solutions Grant (ESG)

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I. Timeline

CARES Act ESG-CV Funding	
March 1, 2020 to September 30, 2022	
March 1, 2020	Continuum of Care's (CoC) and Local Planning Body's (LPB) can incur costs related to addressing and preventing COVID-19 among those who are homeless or at risk of homelessness. These costs can be reimbursed via CARES Act funding.
May 1, 2020	NOFA released and posted (5/1/20) at www.michigan.gov/mshda , click on Homeless and Special Needs. Email or phone your Homeless Assistance Specialist if you have any questions.
June 19, 2020	Within ten (10) business days of the release of ESG-CV guidance from HUD, fiduciaries from CoCs and LPBs complete email application for the distribution of Round One CARES Act funding.
July 3, 2020	Within ten (10) business days of the application submission deadline, grant documents emailed to the fiduciary. Funds can be incurred from March 1, 2020, regardless of completed grant document signatures.

II. General Overview

Special Emergency Solutions Grants Program funds (ESG-CV) were allocated by HUD as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136. These special ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. These ESG-CV funds are in addition to annual 2019-2020 grants and 2020-2021 grants and are subject to unique guidelines specific to CARES Act HUD guidance.

President Trump signed the CARES Act on March 27, 2020 to help the Nation respond to the coronavirus outbreak. The CARES Act made available an additional \$4 billion in ESG-CV funds to supplement the Fiscal Year (FY) 2020 ESG funding provided under the Further Consolidated Appropriations Act, 2020 (Public Law 116-94). Of this amount, HUD is immediately allocating \$1 billion for ESG-CV grants based on the FY 2020 ESG formula. The rest of the funding for ESG-CV grants will be allocated directly to States or units of local government by a separate formula developed by the HUD Secretary.

Given the immediate needs faced by our communities, HUD announced the first allocation of funds and preliminary guidance. It is likely that compliance with the CARES Act will require that ESG-CV grants be made before all HUD guidance on the grants is issued. All grantees and sub-grantees are cautioned to be aware that additional or alternative HUD guidance may be forthcoming. As of the date of issuance of this NOFA, ESG-CV funds are subject to the following flexibilities and conditions provided by the CARES Act. These changes from general ESG guidelines apply only to ESG-CV grants:

- The funds may be used to cover or reimburse allowable costs incurred by a State or locality before the award of funding (including prior to the signing of the CARES Act) to prevent, prepare for, and respond to COVID-19;
- The funds are not subject to the spending cap on emergency shelter and outreach under 24 CFR 576.100(b)(1);
- The funds are exempt from the ESG match requirements, including 24 CFR 576.201;
- The funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants, however each recipient must publish how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media;

- The funds may be used to provide homelessness prevention assistance (as authorized under 24 CFR 576.103 or subsequent HUD notices) to any individual or family who does not have income higher than HUD's Very Low-Income Limit for the area and meets the criteria in paragraphs (1)(ii) and (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.3;
- That recipients may deviate from applicable procurement standards when using these funds to procure goods and services to prevent, prepare for, and respond to coronavirus, notwithstanding 24 CFR 576.407(f) and 2 CFR 200.317-200.326;
- While HUD encourages recipients to offer treatment and supportive services when necessary to assist vulnerable homeless populations, individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used, notwithstanding 24 CFR 576.401(e).

As with previous NOFA opportunities, these funds still require the use of Coordinated Entry as an important process through which people experiencing homelessness or at risk of experiencing homelessness can access the housing crisis response system in a streamlined way. This Coordinated Entry system is created by all homeless service providers working together in a synchronized fashion in conjunction with an agency known as the Housing Assessment and Resource Agency (HARA).

The use of a standardized assessment tool known as the Service Prioritization Decision Assistance Tool (SPDAT) used within local coordinated assessment processes considers the unique needs of the household, assesses vulnerability and prioritizes households to gain access to the best options to address their needs. Historically, the most intensive interventions are prioritized for those with the highest needs, rather than being evaluated for a single program within the homeless response system. Under this state of emergency, HUD supports communities considering other prioritization elements as necessary to prevent the spread of COVID-19 among those who are homeless or at risk of homelessness and to respond to those already impacted by the pandemic.

The CoC or LPB operates a Coordinated Entry system by mapping out the resources and delivery process used to prevent homelessness and rapidly re-house people living in homelessness. As a result, duplication of services is reduced and gaps within the community's system are identified. In addition, the CoC/LPB's Coordinated Entry system overcomes barriers that individual programs cannot address, allowing communication, coordination, and collaboration to be brought to scale on a community-wide level.

Through the Michigan Interagency Council on Homelessness partners are working together to establish and provide ongoing support to communities carrying out the mission of preventing and ending homelessness in Michigan.

III. Program Description

The CARES Act ESG-CV funding is focused on preventing, preparing for, and responding to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and supporting additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. Comprehensive community-wide planning and strategy implementation are prioritized practices that guide the efforts and responses of each CoC and LPB during this crisis. The following core strategies remain relevant and critical for the planning and use of CARES Act ESG-CV funding:

- **Ensure emergency housing needs are met.**
- **Adoption of proven tools to prevent and end homelessness:** Use of a comprehensive community-based prevention and rapid re-housing system that embraces Progressive Engagement, SPDAT, and Housing First activities. Promote program models with successful measurable outcomes that are supported by data.
- **Break-down silos:** Collaborate and coordinate across the CoC/LPB to ensure that local, state, and federal resources are used effectively and efficiently to end homelessness.
- **Re-align Programs:** Work as a community to re-align program dollars to keep people housed or to rapidly re-house them.

- **Build public support and political will for ending homelessness:** Share data and best practices with mayors, county officials, schools, and other interested parties;
- **Create a Communications Plan:** Key partners in the community, including MSHDA Housing Agents, mainstream service partners, government officials, consumers, and the general public will need to be notified about how coordinated intake works. Social media, brochures, and informational meetings are just some of the venue's communities could use.
- **Data collection, analysis, and reporting:** Collect and analyze data via the Homeless Management Information System (HMIS) (Domestic Violence Agencies use alternative system.) Staff should be trained on when to start entering data, what data must be entered, and how to share data with referral organizations.
- **Map out the Community Intake Process:** Meet with local agencies to create a map of intake using SPDAT as an assessment and referral process, how people move through the system, and where flaws exist. Modify how the HARA can assist in a more coordinated approach.
- **Evaluate the HARA's Coordinated Entry policies and implementation** to ensure all HUD requirements are met and the system is equitable for all applicants.
- **Implement Continuous Quality Improvement** and at a minimum the performance measure outcomes as required by MSHDA and outlined in quarterly Consolidated Annual Performance and Evaluation Report (CAPER);
- **Alignment with and support of the local Plan to End Homelessness;**
- **Use of shelter beds and transitional housing only when necessary and with a Housing First approach, i.e. shelter diversion;**
- **Collaborate within the Interagency Service Teams (IST) to assist the hardest to serve.**

IV. Grant Term

Grants will begin on March 1, 2020 and end September 30, 2022.

V. Homeless Definitions for ESG Funding

Following is HUD's definition of homelessness. The applicant and its proposed programs or services must serve individuals and families who are homeless as defined below. MSHDA is requiring file documentation to verify need and homelessness. Recordkeeping and filing requirements have not been waived for ESG-CV grants.

Homeless means:

Category (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category (2) An individual or family who will imminently lose their primary nighttime residence provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

Category (3) MSHDA has removed Category (3) Homeless under other federal statute as MSHDA is required to apply for a waiver from HUD to be able to use this category.

Category (4) Any individual or family who:

- i. **Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member**, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- ii. Has no other residence; and
- iii. Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

VI. Collaboration

By collaborating, local partners will work to leverage and coordinate all available community resources. This includes the utilization of available Federal Emergency Management Agency (FEMA) funding for 75% reimbursement of COVID-19 associated emergency shelter costs, as applicable. Although the HARA may provide many services, it is beneficial to partner with other local organizations to assure a cadre of available supports.

For use of ESG-CV funds, a community Memorandum of Understanding (MOU) must be developed between the CoC/LPB, Fiduciary, HARA, and Subgrantees. The MOU identifies what services will be provided, how services will be coordinated, and how monitoring will be conducted to assure all HUD and MSHDA requirements are met. (A sample template is available at www.michigan.gov/mshda.)

MSHDA will have one grant with the designated Fiduciary and the Fiduciary will be responsible for grant distribution of funds, compliance and monitoring with community subgrantees. CoCs and LPBs are encouraged to consider new subgrantees under the CARES Act ESG-CV funding, especially as they contribute to community-wide planning and strategy implementation. Expectations for subgrantees can be found in Sections VII and VIII.

VII. Defining Roles

Following is an explanation of the minimum duties performed by the CoC/LPB, Fiduciary, HARA, and subgrantee agencies. As in previous ESG NOFAs, the CoC/LPB recommends to MSHDA, via completion of the required email application, the agencies that will receive funding in line with ESG NOFA parameters and other community identified resources. The CoC/LPB-recommended Fiduciary will be awarded the funds; therefore, the Fiduciary is the only agency billing MSHDA for reimbursement.

MSHDA reserves the right to alter any/all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in this NOFA. In addition, Federal guidance for this grant round and future grants rounds is subject to change, which changes may affect recommendations.

**CAPERs (Consolidated Annual Performance and Evaluation Reports) will be required for CARES Act funding but MSHDA is awaiting additional guidance from HUD on how this process will be completed. Once confirmed, this guidance will be shared with Fiduciaries, HARAs, and Subgrantees.*

The CoC/LPB will be responsible to:

- Affirm the continuing role of the current MSHDA ESG Fiduciary under the CARES Act ESG-CV funding.
- Affirm the ongoing support to all current MSHDA ESG Subgrantees (including the HARA) under the CARES Act ESG-CV funding.
- Identify and affirm any new subgrantees under the CARES Act ESG-CV funding.

- Develop and affirm the budget and corresponding implementation plan for the CARES Act ESG-CV funding.
- Ensure collaboration and coordination with local health departments, emergency operation centers, and all other available sources of funding to support community-wide planning and strategy implementation.
- Prioritize the use of ESG-CV funds for proven strategies, especially rapid re-housing for those experiencing homelessness. Note: people cannot be denied rapid re-housing because of zero income.
- Explore partnerships with mental health or substance abuse providers to provide “support services” for permanent supportive housing.
- Partner with programs that serve veterans in your community; link them to VA services and supports.
- Require ESG grantees to embrace strength-based case management.
- Assure that services provided by the Fiduciary, HARA, and Subgrantees are meeting the needs of the local community and that critical issues are addressed.
- Provide meeting minutes and e-mail minutes, notices, and agendas to your MSHDA Homeless Assistance Specialist.
- Note: Agencies funded through MSHDA ESG-CV funds must participate in CoC/LPB meetings.

The Fiduciary will be responsible to:

- Execute grant documents for the community’s allocation, including:
- Memorandum of Understanding (MOU) with the CoC/LPB and with all Key Partners,
- Sign contract and applicable documents required by MSHDA, and
- Initiate and execute subgrants as needed.
- Assure the use of funds in accordance with the grant agreement, communicate knowledge of fraudulent activities to MSHDA and the CoC/LPB;
- Complete MATT 2.0 billing;
- Advise the CoC/LPB of agencies not using dollars in a timely manner to avoid loss of funds to the community/recapture by MSHDA;
- Evaluate the quality of services and provide oversight of the Subgrantees based upon documented outcomes and in partnership with the CoC/LPB.
- Monitor ten percent (10%) of all tenant files, as well as the financial records of Subgrantees, and provide a copy of your findings report to your MSHDA Homeless Assistance Specialist;
- Maintain financial and client level records to support billings. The information must be retained for five years.

Housing Assessment and Resource Agency will be responsible to:

- Administer financial assistance dollars for prevention and rehousing;
- Practice shelter diversion;
- Embrace rapid re-housing; (Note: people with zero income cannot be denied rapid re-housing.)
- Employ staff to function as a Housing Resource Specialist, a position that works with landlords to house people.
- Practice strength-based case management;
- Practice progressive engagement;
- Work with the CoC/LPB to ensure quality service delivery;
- Enter client information as well as doing VI-SPDAT on HMIS;
- Routinely review and correct HMIS data quality issues and monitor outcome performance;
- Provide services and/or make referrals to other service agencies as needed;

Subgrantees will be responsible to:

- Collaborate and coordinate with the HARA and CoC/LPB to re-align program dollars, where possible, to fill gaps to end homelessness;
- Administer financial assistance dollars for prevention and rehousing, as identified and affirmed by the CoC/LPB;
 - **NOTE: Under CARES Act ESG-CV funding, domestic violence service agencies may be considered as a Rapid Re-Housing (RRH) subgrantee, provided they have experience in RRH services and can meet all outlined requirements – except for the use of HMIS. Data entry must be completed in a comparable database that can complete CAPERs.**

- Practice shelter diversion;
- Embrace rapid re-housing; (Note: people with zero income cannot be denied rapid re-housing.)
- Employ staff to function as a Housing Resource Specialist, a position that works with landlords to house people.
- Practice strength-based case management;
- Practice progressive engagement;
- Work with the CoC/LPB to ensure quality service delivery;
- Provide allowable services as defined within this NOFA and as specified in their contract with the Fiduciary;
- Enter client information as well as VI-SPDAT on HMIS (Domestic Violence Agencies use alternative system);
- Routinely review and correct HMIS data quality issues and monitor outcome performance;
- Maintain financial and client level records to support billings. Retain records for five years;
- Request payment and provide necessary supportive documentation to the Fiduciary;
- Ensure compliance with grant terms and provide the Fiduciary and MSHDA access to financial and programmatic records.
- **NOTE: All new subgrantees will be required to participate in training sessions as assigned and/or provided by MSHDA. Additionally, new subgrantees will be subject to enhanced monitoring for at least the first six months of operation with ESG-CV funds.**

VIII. Selection Criteria

Subgrantees:

- Recommended by the CoC/LPB;
- Be a 501(c)3 nonprofit agency or a local unit of government that operates its principle place of business in the State of Michigan.
- A local unit of government can subgrant the funds to a PHA.
- Actively involved in the CoC/LPB planning process;
- Willingness to re-align existing program structures and use of funds to fill gaps and end homelessness;
- Willing to use HMIS to collect relevant data. (Domestic Violence Agencies use alternative system);
- Use of the VI-SPDAT;
- Willing to execute a QSOBAA to allow sharing within HMIS;
- Exhibit the financial capacity to administer funds as demonstrated through an audited financial statement;
- Has financial management systems in place such as cash receipts and disbursement logs, invoices and cancelled check registers, etc;
- Employs a staff person who possesses a bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm;
- Does not require program participants to complete any prerequisites in order to receive services (i.e. religious activities, sobriety treatment, etc.); and
- Displays the ability to collaborate, coordinate and partner with other local organizations.
- **NOTE: Under CARES Act ESG-CV funding, domestic violence service agencies may be considered as a Rapid Re-Housing (RRH) subgrantee, provided they have experience in RRH services and can meet all outlined requirements – except for the use of HMIS. Data entry must be completed in a comparable database that can complete CAPERs.**

MSHDA reserves the right to evaluate the past performance of all recommended agencies and to approve or deny their participation.

IX. Use of Funds

These funds cannot be used to supplant existing mainstream resources and services. ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and

families who are homeless or receiving homeless assistance, and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. CoCs and LPBs should be mindful of positive outcomes, based on HMIS (Domestic Violence Agencies use alternative system) and other data, before selecting agencies for funding. Individuals eligible for services through domestic violence, mental health, and substance abuse delivery systems must have services funded through existing budgets. In addition, CoCs and LPBs must be mindful that these ESG-CV funds are used for services that are directly related to obtaining or sustaining housing.

Agency staff that travel and are reimbursed with MSHDA ESG-CV funds cannot exceed the federal rate for mileage.

MSHDA will allow CoCs and LPBs to more narrowly define the scope of services provided; however, funding categories cannot be broadened.

X. Eligible Program Components for CARES Act ESG Funds

In addition to previously eligible program components and MSHDA ESG policy, the following activities and costs are eligible for reimbursement under the named categories. The guidance provided within this NOFA, if varying from MSHDA ESG policy, supersedes MSHDA ESG policy for use with all CARES Act ESG-CV funding. Additional adjustments to policies and procedures can be found in Appendix A. Under Section VII, each CoC and LPB must develop and affirm the budget and corresponding implementation plan for the CARES Act ESG-CV funding.

1. Street Outreach

- **Engagement:** Hand sanitizer, soap, tissue packets, masks, disposable gloves, other personal protective equipment
- **Case Management:** Coordinating medical care
- **Transportation:** Train or bus tokens, taxi or rideshare for program participant travel to and from medical care
- **Expanded Staffing:** Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact

2. Emergency Shelter

- **Supplies:** Cleaning supplies such as bleach, disinfectant wipes, scrubbers, mops; Protective equipment such as masks, disposable gloves; Program participant needs such as bed linens, towels, hand sanitizer, soap, tissue packets
- **Furnishings:** Cots, room dividers
- **Equipment:** Washers, dryers, portable handwashing stations
- **Transportation:** Train or bus tokens, taxi or rideshare for program participant travel to and from medical care
- **Shelter Operations:** Hotel and motel costs for additional non-congregate shelter space at \$85.00 per night (following FEMA and ESP guidance)
 - **Reimbursement for hotel and motel costs is limited to 30 days per household served.** Requests for hotel and motel costs reimbursement for stays longer than 30 days must be reviewed and approved by the assigned MSHDA Homeless Assistance Specialist.
 - Counties that have FEMA pre-approval for hotel usage for eligible populations must coordinate with their Emergency Operations Center and utilize this resource—ESG-CV funds should only be used for non-FEMA eligible households.
- **Expanded Staffing:** Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact

3. Homelessness Prevention: To serve those certified as Homeless, Categories 2-4; certified At Risk of Becoming Homeless

Housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to prevent the individual or family from becoming homeless if:

- Annual income of the individual or family is below **50 percent of median family income**
- Assistance is necessary to help program participants regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing.
- HARAs and subgrantees can make one-time payments for households with **up to six (6) months of rental arrears**, including any fees.

Eligible costs include security deposits, rent arrearages, leasing assistance, utility deposits/arrearages, housing search and placement, housing stability case management, hazard pay to staff with direct participant contact, and mediation.

4. Rapid Re-Housing: To serve those certified as Homeless, Category 1; certified as Literally Homeless (*This also includes households fleeing domestic violence through use of emergency shelter or living in places not meant for human habitation.*)

- Annual income of the individual or family is below **30 percent of median family income**.
- Financial assistance can be provided for **up to 9 months** under CARES Act ESG-CV funding.

Housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing. Eligible costs also include security deposits, 1st month's rent, utility deposits/arrearages, housing stability case management, hazard pay to staff with direct participant contact, landlord-tenant mediation, tenant legal services, and credit repair.

- **Master Leasing:** Also known as project-based rental assistance per HUD's Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) regulations in part 576.106, master leasing is an allowable expense under Rapid Re-Housing financial assistance. Additional guidance will be provided by MSHDA in the weeks following the NOFA release and CoCs/LPBs are encouraged to review master leasing models for planning consideration.
- **Income and Rapid Re-Housing:** Starting in FY2018-2019, MSHDA instituted a rental payment requirement for households receiving financial assistance. This payment is reflective of one percent (1%) of the household's gross annual projected income and is paid either directly to the HARA or to the landlord. Under the CARES Act ESG-CV funding, this will not be required. However, CoCs and LPBs may choose to continue this practice and are still encouraged to progressively engage households to contribute to their monthly rental payment.

5. HMIS Data Entry: Up to ten percent (10%) for the costs of participating in HMIS and equipment.

6. Administrative: Up to **eight and a half percent (8.5%)** of the recipient's allocation can be used for general management, oversight, coordination, and reporting on the program. **Any costs related to "training on infectious disease prevention and mitigation, ... hazard pay, ... staff working directly to prevent, prepare for, and respond to coronavirus among person who are homeless or at risk of homelessness" (CARES Act) are not considered administrative costs and can be paid through other budget lines within the ESG-CV funding.**

XI. CARES Act ESG-CV Funds for MDHHS DV

CARES Act ESG-CV directly granted to MDHHS cannot be used to supplant existing mainstream resources and services, i.e., ESG-CV funds can only be used when mainstream funding has been denied or exhausted. MDHHS should be mindful of positive outcomes, based on the Domestic Violence Agencies computer system and other data, before selecting agencies for funding. Agencies must be mindful that these ESG-CV funds are used for services that are directly related to obtaining or sustaining housing. (See eligible activities/uses below.)

ESG policy and use of ESG forms applies to these grant dollars unless so stated.

MDHHS DV funds can only be used for the following:

- **The funds will be used for shelter operations and housing case management services;**
 - Shelter repairs over \$500 must be approved by the MSHDA Homeless Assistance Specialist.
- **Grant administration is limited to eight and a half percent (8.5%) of the total grant amount.**
- **Data Entry – Inputting homeless data into a computer system is required and is limited to ten percent (10%) of the total grant amount.**

These MDHHS DV funds cannot be used for:

- Construction or rehabilitation of existing shelters.
- Financial assistance in the form of homelessness prevention and rapid re-housing dollars.
- Entering names on the Homeless Preference Waiting List. This activity is completed by the HARA.

No grant to a DV ESG sub-grantee can be less than \$10,000. (This rule applies all ESG subgrantees.)

XII. Appendix A: MSHDA ESG Policy and Procedure Adjustments for COVID-19

MSHDA ESG Policy and Procedure Adjustments for COVID-19

In response to the Coronavirus (COVID-19) pandemic, MSHDA approves the following policy and procedure adjustments for any Emergency Solutions Grant (ESG) funding until further notice or as indicated below. Note that these adjustments apply to both annual ESG funding and COVID-response ESG-CV funding. These adjustments will be subject to further change as State and Federal COVID guidance develops.

Signatures on ESG Forms

- ESG grantees may accept verbal or electronic "signatures" on ESG forms, with the following provisions:
 - Notate as verbal or electronic signature for each form completed.
 - Provide staff initials and date when collecting the signature.

Housing Choice Voucher (HCV) Homeless Preference

- HARAs may secure verbal Releases of Information (ROIs) for HCV Homeless Preference at this time. Please note the use of verbal ROI on the HCV ROI document.
- Effective 3/20/20, deadlines for re-certifications of homelessness for all current applications will be extended an additional 60 days during the period of the State of Michigan "Stay Home, Stay Safe" order. New applications completed during this time will still be subject to the 120-day re-certification deadline and all re-certifications will still need to be completed within the 30-day window prior to the deadline.
- The timeline to complete HCV Homeless Preference applications is extended from 5 days to 30 business days until further notice.

Rental Unit Inspections for ESG

- If your agency helps households move into new rental units during the State of Michigan "Stay Home, Stay Safe" order, it is still necessary to complete a Habitability Standards Inspection.
- Inspections may be completed virtually as long as the Habitability Standards can be checked and completed in real time. For example, landlords could use Facetime or other platforms to engage directly with agency staff and walk through the unit to demonstrate each requirement and standard of the inspection checklist.
- Inspections of occupied units can be postponed until the unit can be safely accessed. Guidance on safety practices for occupants and inspectors will be forthcoming as the COVID situation develops.

Rapid Re-Housing (RRH) Assistance Cap

- MSHDA ESG's six (6) month cap for Rapid Re-Housing (RRH) rental assistance is extended to nine (9) months, as needed.

Hazard Pay for Staff

- Agencies are allowed to consider reasonable hazard pay for any staff working directly with community members to prevent or respond to the spread of COVID-19 among those who are experiencing homelessness or at risk of homelessness.

Hotel or Motel Costs for Emergency Shelter

- CoCs and LPBs can use funding from the emergency shelter operations budget line to cover the costs of hotel or motel stays for emergency shelter necessitated by COVID-19.
- CoCs and LPBs are encouraged to consider all sources of available funding for these costs, including the MDHHS Emergency Shelter Program (ESP) and Federal Emergency Management Assistance (FEMA). Counties that have FEMA pre-approval for hotel usage for eligible populations must coordinate with their Emergency Operations Center and utilize this resource—ESG-CV funds should only be used for non-FEMA eligible households.
- The allowable cost per night is limited to \$85, in alignment with the MDHHS ESP program currently in place across Michigan.

Expanded Eligible Costs for Street Outreach and Emergency Shelter

- HUD has approved the following as eligible costs under street outreach:
 - Engagement: Hand sanitizer, soap, tissue packets, masks, disposable gloves, other personal protective equipment
 - Case Management: Coordinating medical care
 - Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care
 - Expanded Staffing: Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact
- HUD has approved the following as eligible costs under emergency shelter
 - Supplies: Cleaning supplies such as bleach, disinfectant wipes, scrubbers, mops; Protective equipment such as masks, disposable gloves; Program participant needs such as bed linens, towels, hand sanitizer, soap, tissue packets
 - Furnishings: Cots, room dividers
 - Equipment: Washers, dryers, portable handwashing stations
 - Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care
 - Shelter Operations: Hotel and motel costs for additional non-congregate shelter space at \$85.00 per night (following FEMA and ESP guidance)
 - Expanded Staffing: Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact

1% Rental Assistance Payment Requirement

- Starting in FY2018-2019, MSHDA instituted a rental payment requirement for households receiving financial assistance. This payment is reflective of one percent (1%) of the household's gross annual projected income and is paid either directly to the HARA or to the landlord. Until further notice, this will not be required under any ESG funding. However, CoCs and LPBs may choose to continue this practice and are still encouraged to progressively engage households to contribute to their monthly rental payment.

Amendments to Budgets

- Budget amendments requested by fiduciaries for any ESG funding are considered active and immediately available once approval is confirmed via email with the assigned MSHDA Homeless Assistance Specialist.
- Fiduciaries must still complete the MATT amendment process following approval.